

## Miriam Lens

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**From:** Fran David  
**Sent:** Tuesday, March 17, 2015 9:01 AM  
**To:** Al Mendall; Barbara Halliday; Elisa Marquez; Francisco Zermeno; Greg Jones; Marvin Peixoto; Sara Lamnin  
**Cc:** Angel Groves; Colleen Kamai; Kelly McAdoo; Miriam Lens; Michael Lawson; Frank Holland  
**Subject:** QUESTION RE Downtown Business District

The following question was posed by a Council Member, in which I thought all Council might be interested. Following the question is an answer from the City Attorney's Office and a second from the City Manager's Office.

**QUESTION:** Does the City, as a property owner, have limitations in voting for assessment amounts or any other items related to the development of a BID, given that the City stands to benefit financially in recouping costs incurred?

**CITY ATTORNEY RESPONSE:** The City as a property owner has the same voting rights as the other property owners in the proposed district with respect to the Prop. 218 public hearing regarding the assessment amount and the district formation. Since the Prop. 218 vote is weighted based on each property owner's proportional share of the total assessments, each property owner's relative voting power may differ in relation to other property owners. The City is the largest property owner in the proposed district and would have the largest weighted vote. However, as a policy matter the Council may choose not to count the City's vote if the City's vote would determine whether or not the district will be formed in the first place

**CITY MANAGER RESPONSE:** I would just add to the City Attorney's response that the City does not "benefit" beyond simply having its costs for formation reimbursed. As such, as we progress through this process, I would not be inclined to recommend to the City Council that the City recuse itself from voting or participating in the process. I would, however, likely recommend against the formation of the District if it was the City's vote plus other large property owners that made up the majority of the vote for the formation. In other words, I don't think the District will be successful unless a majority of the property owners, regardless of weight, are in support. However, all of that will have to be determined as we go through the process, which is, of course, the whole point of the extensive and inclusive process ahead of us.

At the start, I am very much in support of forming the District and believe it will greatly benefit the Downtown, and allow the City to do two major things: (1) leverage our resources with a fully engaged partner Downtown and (2) turn City resources more toward supporting other retail and commercial areas in the community in a way we have not been able to do in the past.

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